



U.S. Department of Justice

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September 19, 2003

PRESS RELEASE

FOR IMMEDIATE RELEASE

**DR. LUCIEN MOOLENAAR, II,
DEPUTY COMMISSIONER OF PUBLIC HEALTH,
INDICTED FOR CONVERSION OF GOVERNMENT FUNDS**

United States Attorney David M. Nissman announced today the unsealing of a two-count indictment against DR. LUCIEN A. MOOLENAAR, II, DDS, former Acting Commissioner of the Department of Health and current Deputy Commissioner of Public Health Services for the Virgin Islands. The indictment was returned by a federal grand jury sitting on St. Thomas.

The indictment charges Dr. Moolenaar with stealing \$102,497.85 in government funds. Specifically, the indictment alleges that, from July 1995 through September 2000, Dr. Moolenaar erroneously received 63 monthly payments from the government in the amount of \$1,626.95. At no time during this five-year period did Dr. Moolenaar report these overpayments. Instead, he used the money for his personal benefit.

Count One of the indictment charges Dr. Moolenaar with conversion of government funds in violation of federal law. Count Two charges Dr. Moolenaar with grand larceny in violation of territorial law. The penalty for the federal offense is a maximum of ten (10) years imprisonment and a fine of not more than \$250,000. The penalty for the territorial offense is a maximum of ten (10) years imprisonment.

Attorney Nissman stated that the case is being prosecuted jointly by the United States Attorneys Office for the District of the Virgin Islands and the U.S. Department of Justice, Public Integrity Section, Washington, D.C. He commended the Virgin Islands Office of the inspector General for its lead role in this investigation. He further indicated that “this is the first case being prosecuted by the newly assembled Anti-Corruption Joint Task Force, comprised of officials within the U.S. Department of Justice, the U.S. Attorney’s Office for the District of the Virgin Islands, and numerous federal inspectors general led by the Inspector General for the Interior Department and represents a joint endeavor to prosecute acts public corruption among government officials and employees.”

United States Attorney Nissman issued a reminder that, as in all criminal cases, the indictment is merely a charging document, and the defendant is presumed innocent unless and until proven guilty in court.

Individual Indicted

LUCIEN A. MOOLENAAR, II

IN THE DISTRICT COURT OF THE VIRGIN ISLANDS
(DIVISION OF ST. THOMAS AND ST. JOHN)

UNITED STATES OF AMERICA
and THE GOVERNMENT OF THE
VIRGIN ISLANDS,

v.

LUCIEN A. MOOLENAAR, II,

Defendant.

)
) Crim. No. 9003-145
) UNDER SEAL
) INDICTMENT:
)
) 18 U.S.C. § 666(a)(1)(A)
) Conversion of Government Funds
) 14 V.I.C. §§ 1081 & 1083
) Grand Larceny

INDICTMENT

The Grand Jury charges:

At all times material to this Indictment:

COUNT ONE

Conversion of Government Funds
[18 U.S.C. § 666(a)(1)(A)]

Introduction

1. Defendant LUCIEN A. MOOLENAAR, II, was an agent and employee of the U.S. Virgin Islands Department of Health ("Department of Health"). Specifically:

a. Prior to or about March 1, 1999, defendant MOOLENAAR was employed by the Department of Health as a dentist.

b. On or about June 1, 1999, defendant MOOLENAAR was appointed to the position of Deputy Commissioner of Public Health Services.

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c. On or about May 1, 2000, defendant MOOLENAAR was named Acting Commissioner of the Department of Health by the Governor of the U.S. Virgin Islands.

2. Defendant LUCIEN A. MOOLENAAR, II, was also engaged in the private practice of dentistry.

3. The Department of Health was a department and agency of the territorial Government of the U.S. Virgin Islands. In fiscal years 1995, 1996, 1997, 1998, 1999, and 2000, the Department of Health received more than \$10 million per year in federal funds from the United States Government.

4. The U.S. Virgin Islands Department of Finance ("Department of Finance") was a department and agency of the territorial Government of the U.S. Virgin Islands. Among other things, the Department of Finance was responsible for generating and issuing payroll checks and other miscellaneous checks to all employees of the territorial government.

5. Defendant LUCIEN A. MOOLENAAR, II, received his salary from the Government of the Virgin Islands once every two weeks. From in or about July, 1995, through in or about January, 1998, defendant MOOLENAAR received actual payroll checks that were deposited into his personal checking account. From in or about January, 1998, through in or about September, 2000, defendant MOOLENAAR received his pay in the form of a direct deposit into his personal checking account.

Receipt and Conversion of Overpaid Government Funds

6. In or about January, 1995, defendant LUCIEN A. MOOLENAAR, II, prepared and submitted to the Department of Finance two forms entitled "Request for Re-Issue of Check Not Paid." Each form was accompanied by an uncashed and stale payroll check (and check stub) that had been issued to defendant MOOLENAAR by the Department of Finance several years earlier. The details of the checks are as follows:

<u>Check No.</u>	<u>Date Issued</u>	<u>Payee</u>	<u>Amount</u>
8301577	01/09/92	Lucien Moolenaar	\$ 561.90
8534884	10/29/92	Lucien Moolenaar	<u>1,065.05</u>
<u>Total</u>			<u>\$1,626.95</u>

In submitting these forms and returning the payroll checks to the Department of Finance, defendant MOOLENAAR requested the issuance of a new check in the total amount of \$1,626.95.

7. In or about June, 1995, employees of the Department of Finance processed the two "Request for Re-Issue of Check Not Paid" forms submitted by defendant LUCIEN A. MOOLENAAR, II. To replace his two uncashed payroll checks, defendant MOOLENAAR only was entitled to receive a single payment in the total amount of \$1,626.95.

8. On or about June 22, 1995, the Department of Finance issued a payroll check to defendant LUCIEN A. MOOLENAAR, II, that included the additional payment of \$1,626.95, which defendant MOOLENAAR had requested. The pay stub listed the \$1,626.95

credit under the heading "STALE DATE." Defendant MOOLENAAR deposited this payroll check into his personal checking account.

9. Following the payment of \$1,626.95 to which defendant LUCIEN A. MOOLENAAR, II, was entitled, defendant MOOLENAAR began receiving, as a result of an error in a computer entry in the Department of Finance, the additional sum of \$1,626.95 in the second paycheck he received each month for a period of more than five years. In the paychecks that included the improper overpayment, the amount of defendant MOOLENAAR's net pay more than doubled. These additions to defendant MOOLENAAR's paychecks constituted improper overpayments of funds to which defendant MOOLENAAR was not entitled and as to which he had no rightful claim or rightful ownership.

10. Between June, 1995, and September, 2000, defendant LUCIEN A. MOOLENAAR, II, received approximately 63 overpayments, totaling approximately \$102,497.85. The yearly breakdown is as follows:

<u>Year</u>	<u>Amount</u>
1995	\$ 9,761.70
1996	19,523.40
1997	19,523.40
1998	19,523.40
1999	19,523.40
2000	14,642.55

11. At no time during the above-referenced five-year period did defendant LUCIEN A. MOOLENAAR, II, report to the Department of Finance his improper receipt and retention of the approximately \$102,497.85 in additional monies. Instead, defendant MOOLENAAR used the funds for his personal benefit.

The Statutory Violation

12. Beginning on or about September 24, 1998, and continuing through on or about September 21, 2000, in the District of the Virgin Islands and elsewhere, the defendant, LUCIEN A. MOOLENAAR, II being an agent of the Government of the U.S. Virgin Islands and the Department of Health, an agency thereof, which agency received in each year between 1995 and 2000 benefits in excess of \$10,000 in federal grants, contracts, subsidies, loans, guarantees, insurance, or other forms of federal assistance, without authority knowingly converted to the use of a person not the rightful owner property worth at least \$5,000 owned by and under the care, custody, and control of the Government of the Virgin Islands, and the Department of Health; that is, defendant MOOLENAAR knowingly converted to his own use, without authority, overpayments made to him in his Department of Health payroll check totaling approximately \$40,673.75.

All in violation of Title 18, United States Code, Section 666(a)(1)(A).

COUNT TWO

GRAND LARCENY

[14 V.I.C. §§ 1081 & 1083]

13. Paragraphs 1 through 11 of this Indictment are realleged as though fully set forth herein.

14. On or about September 21, 2000, in St. Thomas in the U.S. Virgin Islands, the defendant

LUCIEN A. MOOLENAAR, II

unlawfully, willfully, and intentionally took, stole, and carried away the personal property of another, such property having more than \$100 in value; that is, defendant MOOLENAAR intentionally took, stole, and carried away approximately \$1,626.95 in funds belonging to the Government of the U.S. Virgin Islands and the Department of Health.

In violation of Title 14, Virgin Islands Code, Sections 1081 and 1083.

A TRUE BILL

L. A. Casey
FOREPERSON

DAVID M. NISSMAN
United States Attorney

By: [Signature]
CURTIS V. GOMEZ
Assistant U.S. Attorney
District of the Virgin Islands

NOEL L. HILLMAN
Chief
Public Integrity Section
By: [Signature]
ARMANDO O. BONILLA
NICHOLAS A. MARSH
Trial Attorneys
Public Integrity Section
Criminal Division
U.S. Department of Justice

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DISTRICT OF THE VIRGIN ISLANDS: September 12, 2003

Returned into the District Court by Grand Jurors and filed.

Claudette A. Denwa
DEPUTY CLERK